



U.S. Immigration
and Customs
Enforcement

February 11, 2005

News Release

LOCAL TOBACCO STORE OWNER PLEADS GUILTY IN COUNTERFEIT “ZIG-ZAG” TRADEMARK SCHEME *Distributor estimates loss to be \$1.85 million due to counterfeiting*

SHREVEPORT, La.—A Lebanese national residing in the Dearborn Heights, Mich., pleaded guilty today to an indictment charging him with one count each of conspiracy and trafficking in counterfeit goods, announced U. S. Attorney Donald W. Washington, Western District of Louisiana, following an investigation by the U. S. Immigration and Customs Enforcement (ICE) office here.

Wajdi Abdulaziz Beydoun, 39, owned five Tobacco World stores located in Shreveport, Bossier City, Bethany, and Logansport, La.

At the hearing before U. S. District Judge S. Maurice Hicks Jr. in Shreveport, testimony indicated that from January 1999 until August 2004, Beydoun was involved in a scheme to illegally import cigarette-rolling papers from an overseas source, and then repackage them for retail sale in smaller quantities in booklet covers bearing a counterfeit "Zig-Zag" trademark.

To complete the scheme, Beydoun contacted a printing company in Tucson, Ariz., to print one million booklet covers bearing a counterfeit "Zig-Zag" trademark, and another Arizona company to cut the sheets of counterfeit booklet covers after they had been printed. Beydoun paid more than \$16,000 to the company to print the counterfeit covers.

These counterfeit booklet covers were then smuggled into Mexico where Beydoun used Mexican prison laborers to remove the legitimate booklet covers from the cigarette rolling papers and have them re-wrapped with the counterfeit Zig-Zag booklet covers for distribution within the United States, with each package containing a much smaller quantity of rolling papers than the original. A legitimate package of Zig-Zag rolling papers contains 100 leaves of paper; the package containing the counterfeit trademark contained only 32 leaves of paper.

Beydoun then transported the counterfeit Zig-Zag rolling papers from Mexico to Arizona. The counterfeit goods were sent to a store in Dearborn, Mich., as well as to the five Tobacco World stores in Louisiana, and sold for \$1.25 each. The legitimate Zig-Zag distributor estimates its loss to be approximately \$1.85 million due to the counterfeiting of its product.

"ICE has zero tolerance for anyone making, selling, or providing fraudulent products," said ICE Special Agent-in-Charge Michael A. Holt, who leads investigations in the New Orleans region. "Criminals who make and sell fraudulent products do not care about the companies or distributors from whom they steal. They only care about themselves and the illegal profits they reap from the transactions."

Beydoun faces a maximum penalty of up to 10 years in prison, a \$2 million fine, or both, on the count of trafficking in counterfeit goods. The maximum penalty for the conspiracy count is up to five years in prison, a \$250,000 fine, or both.

Beydoun was released on bond pending his sentencing, which is scheduled for May 24. Sentencing in federal court is determined by the discretion of federal judges and the governing statute. United States Sentencing Guidelines established by the United States Congress and the United States Sentencing Commission are only used as guidelines by the judge in determining the appropriate sentence. Parole has been abolished in the federal system.

Assistant U.S. Attorney Robert W. Gillespie, Jr. is prosecuting the case.

ICE

U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of five integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.